

FISCAL NOTE

HB 2906 - SB 2953

February 12, 2002

SUMMARY OF BILL: Requires school cafeterias to pay an annual \$80 food service establishment fee to the Department of Health.

ESTIMATED FISCAL IMPACT:

Forgo State Revenues - \$237,400

Local Govt. Expenditures - Cost Avoidance - \$337,000

Forgo Local Govt. Revenues - \$99,600

Prior to 2001 the food service establishment permit fee for school cafeterias was \$80 per year. Public Chapter 311 of 2001 increased all permit fees and deleted the provision for the \$80 fee for schools. This subjected school cafeterias to the same fees, \$150 or \$300, as comparably sized restaurants.

Passage of this bill means that:

- The state will forgo revenues of \$337,000 because of the lower fee payments, of which \$99,600 would have been rebated by the state back to the local health departments of urban counties, since such counties conduct their own inspections.
- Local governments will avoid expenditures of \$337,000 because of the lower fees paid by local school systems.
- Local governments will forgo revenues of \$99,600, since the amount of state fee rebates to local health departments in urban counties will decrease.
- In the absence of the legislation inspection fees for school cafeterias will increase from \$150 - \$300 to \$210 - \$360 July 1, 2003.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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